

April 2002



North Dakota REV-E-NEWS

**From Rod Backman, Director
Office of Management and Budget
600 E. Blvd. Ave. , Dept 110 - Bismarck, ND 58505-0400**

After March collections, the projected ending balance for June 30, 2003 is back to the \$10 million range, which was approximately the estimate when the legislature adjourned.

Next month the Office of Management and Budget and the Tax Department will send historical information to Economy.com in preparation for the June revenue forecast. This revenue forecast will be the first time we look at the revenues for the

2003-05 biennium. Another revenue forecast will be prepared in November, which will be the basis for the Governor's budget for the 2003-05 biennium. The last several biennium's have ended with a balance in the neighborhood of \$65 million. Since we are estimating this biennium's ending balance will be around \$10 million, we are already expecting the upcoming budget to be very tight.

PeopleSoft/MAXIMUS Contract Signed

The contract with PeopleSoft/MAXIMUS for the enterprise resource plan for the State of North Dakota has been signed and work has begun. MAXIMUS, the company doing the implementation for the project, has been working with the project teams in Bismarck, Grand Forks, and Fargo for the last three weeks. The formal kick-off for the project will be held May 23 at the Heritage Center.

Comments or Questions???

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www.discovernd.com

Oil Activity

February oil production in North Dakota averaged 85,822 barrels of oil per day, up from January's average production of 84,616 barrels per day. The current price of oil is approximately \$21.50 and there are 10 oil rigs drilling compared to 12 one year ago.



STATEMENT OF GENERAL FUND REVENUES AND FORECASTS
Compared to December 2001 Revised Forecast
2001-03 BIENNIUM
MARCH 2002

REVENUES AND TRANSFERS	December 2001 Revised Forecast	FISCAL MONTH			December 2001 Revised Forecast	BIENNIUM TO DATE		
		Actual	Variance	Percent		Actual	Variance	Percent
Sales Tax	16,302,000.00	\$ 17,615,892.31	\$ 1,313,892.31	8.1%	\$ 233,825,000.00	\$ 233,328,865.97	\$ (496,134.03)	-0.2%
Motor Vehicle Excise Tax	4,894,000.00	4,609,816.27	(284,183.73)	-5.8%	44,287,000.00	45,806,940.67	1,519,940.67	3.4%
Individual Income Tax	5,515,000.00	3,946,524.26	(1,568,475.74)	-28.4%	133,903,000.00	130,782,598.15	(3,120,401.85)	-2.3%
Corporate Income Tax	5,324,000.00	5,406,167.91	82,167.91	1.5%	21,938,000.00	21,109,698.34	(828,301.66)	-3.8%
Insurance Premium Tax	4,500,000.00	8,400,439.69	3,900,439.69	86.7%	14,396,000.00	17,875,961.60	3,479,961.60	24.2%
Financial Insitutions Tax	48,000.00	761,954.00	713,954.00	100.0%	192,000.00	1,245,388.00	1,053,388.00	100.0%
Oil & Gas Production Tax	1,449,000.00	1,760,560.51	311,560.51	21.5%	13,597,000.00	14,068,053.00	471,053.00	3.5%
Gaming Tax	38,000.00	240,294.95	202,294.95	532.4%	8,613,555.00	9,608,485.28	994,930.28	11.6%
Interest Income	419,000.00	166,870.26	(252,129.74)	-60.2%	3,977,056.00	2,928,834.04	(1,048,221.96)	-26.4%
Oil Extraction Tax	886,000.00	701,033.68	(184,966.32)	-20.9%	8,351,000.00	7,659,210.19	(691,789.81)	-8.3%
Cigarette & Tobacco Tax	1,618,000.00	1,473,938.96	(144,061.04)	-8.9%	14,971,000.00	15,289,020.72	318,020.72	2.1%
Departmental Collections	1,000,000.00	3,274,509.56	2,274,509.56	227.5%	21,166,130.00	23,902,269.54	2,736,139.54	12.9%
Wholesale Liquor Tax	403,253.00	373,130.10	(30,122.90)	-7.5%	4,058,975.00	4,086,326.69	27,351.69	0.7%
Coal Conversion Tax	2,040,000.00	1,818,079.62	(221,920.38)	-10.9%	17,759,000.00	17,344,740.28	(414,259.72)	-2.3%
Mineral Leasing Fees	130,000.00	278,525.78	148,525.78	114.3%	2,150,373.00	1,734,745.62	(415,627.38)	-19.3%
Bank of North Dakota-Transfer					15,000,000.00	15,000,000.00		
State Mill & Elevator-Transfer								
Gas Tax Admin-Transfer			-	0.0%	511,272.00	511,272.00	-	0.0%
Other Transfers		57.59	57.59	100.0%		68,337.47	68,337.47	100.0%
Total Revenues and Transfers	44,566,253.00	50,827,795.45	6,261,542.45	14.0%	558,696,361.00	562,350,747.56	3,654,386.56	0.7%

COMPARISON TO PREVIOUS BIENNIUM REVENUES
2001-03 BIENNIUM
MARCH 2002

REVENUES AND TRANSFERS	FISCAL MONTH				BIENNIUM TO DATE			
	March 2000	March 2002	Variance	Percent	2001	2003	Variance	Percent
Sales Tax	\$ 20,839,634.50	\$ 17,615,892.31	\$ (3,223,742.19)	-15.5%	\$ 231,509,042.55	\$ 233,328,865.97	\$ 1,819,823.42	0.8%
Motor Vehicle Excise Tax	5,517,289.34	4,609,816.27	(907,473.07)	-16.4%	40,909,506.58	45,806,940.67	4,897,434.09	12.0%
Individual Income Tax	4,500,281.04	3,946,524.26	(553,756.78)	-12.3%	122,402,026.03	130,782,598.15	8,380,572.12	6.8%
Corporate Income Tax	4,976,152.17	5,406,167.91	430,015.74	8.6%	23,796,630.38	21,109,698.34	(2,686,932.04)	-11.3%
Insurance Premium Tax	5,611,525.89	8,400,439.69	2,788,913.80	49.7%	14,106,385.53	17,875,961.60	3,769,576.07	26.7%
Financial Insitutions Tax	259,688.16	761,954.00	502,265.84	193.4%	(129,870.84)	1,245,388.00	1,375,258.84	-1058.9%
Oil & Gas Production Tax	2,410,667.32	1,760,560.51	(650,106.81)	-27.0%	13,464,487.53	14,068,053.00	603,565.47	4.5%
Gaming Tax	248,333.21	240,294.95	(8,038.26)	-3.2%	9,353,547.97	9,608,485.28	254,937.31	2.7%
Interest Income	665,144.48	166,870.26	(498,274.22)	-74.9%	4,631,715.95	2,928,834.04	(1,702,881.91)	-36.8%
Oil Extraction Tax	1,338,755.71	701,033.68	(637,722.03)	-47.6%	8,916,974.85	7,659,210.19	(1,257,764.66)	-14.1%
Cigarette & Tobacco Tax	1,936,720.35	1,473,938.96	(462,781.39)	-23.9%	16,262,198.44	15,289,020.72	(973,177.72)	-6.0%
Departmental Collections	1,151,543.20	3,274,509.56	2,122,966.36	184.4%	13,645,536.68	23,902,269.54	10,256,732.86	75.2%
Wholesale Liquor Tax	395,284.36	373,130.10	(22,154.26)	-5.6%	3,487,906.06	4,086,326.69	598,420.63	17.2%
Coal Severance Tax	903,893.13	0.00	(903,893.13)	-100.0%	8,508,622.19	775,793.99	(7,732,828.20)	-90.9%
Coal Conversion Tax	1,041,694.48	1,818,079.62	776,385.14	74.5%	9,327,954.08	16,568,946.29	7,240,992.21	77.6%
Mineral Leasing Fees	344,598.95	278,525.78	(66,073.17)	-159.0%	2,488,871.55	1,734,745.62	(754,125.93)	-30.3%
Bank of North Dakota-Transfer				0.0%	15,000,000.00	15,000,000.00	-	0.0%
State Mill & Elevator-Transfer								
Gas Tax Admin-Transfer					517,728.00	511,272.00	(449,390.53)	-86.8%
Other Transfers	42,648.22	57.59	(42,590.63)	100.0%	1,893,267.05	68,337.47	1,824,929.58	96.4%
Total Revenues and Transfers	52,183,854.51	50,827,795.45	(1,356,059.06)	-2.6%	540,092,530.58	562,350,747.56	22,258,216.98	4.1%

Revenue Variances

The following comments are based on March revenue collections compared to the December 2001 revised revenue forecast.

Sales tax collections exceeded the projection for March by \$1.3 million or 8.1 percent. As you may recall, February's sales tax collections were behind forecast by \$4.3 million, part of which was attributed to timing. March collections made up only a portion of that monthly shortfall. Biennium-to-date sales tax collections are now \$496,134 or 0.2 below projections.

Motor vehicle excise tax collections fell behind forecast by 284,184 or 5.8 percent, however, biennium-to-date collections are \$1.5 million or 3.4 percent ahead of projections.

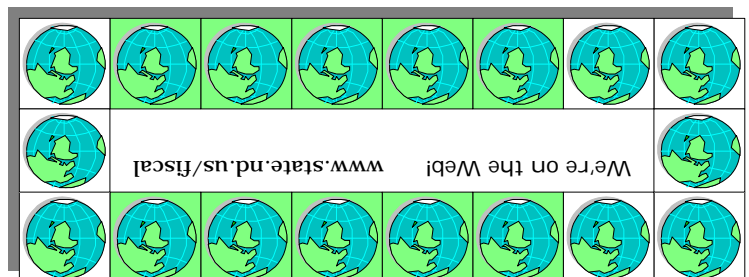
Individual income tax collections fell behind forecast by \$1.6 million or 28.4 percent. Although biennium-to-date collections are behind by \$3.1 million or 2.3 percent, this is not a complete picture since the bulk of the income tax returns are received in April. By May, we will have a good idea of how individual income tax collections will fare.

Corporate income tax collections exceeded projections by \$82,168 or 1.5 percent leaving biennium-to-date collections below forecast by \$828,302 or 3.8 percent.

Insurance premium tax collections exceeded projections by \$3.9 million or 86.7 percent. The payments for the three previous quarters were based on estimates from the previous year. The March payments are the reconciled payments based on actual premium taxes, minus the estimated payments. This large increase in collections is the result of increased premiums from 2000 to 2001. Biennium-to-date collections are now \$3.5 million or 24.2 percent ahead of projections.

Oil and gas production tax collections exceeded projections by \$311,560 while oil extraction tax collections fell short of projections by \$184,966.

Departmental collections exceeded the monthly projection by \$2.3 million. This is due to telecommunications taxes collected in excess of \$8.4 million, which are required to be deposited into the general fund by the Tax Department.



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